

MINUTES OF A REGULAR MEETING  
OF THE HOUSING AUTHORITY  
OF THE CITY OF MILLVILLE  
October 23, 2012

A regular meeting of the Millville Housing Authority Board of Commissioners was held on Tuesday, October 23, 2012 at Maurice View Plaza Community Room, 1 E. Vine Street, Millville, New Jersey. The meeting convened at 5:01 p.m.

Chairman Tomlin announced the Sunshine Law requirement had been met, properly posted and advertised.

The meeting was called to order by Chairman Brian Tomlin, who announced the meeting was being conducted under the Open Public Meetings Act.

Board Secretary, Paul Dice, proceeded to call the roll at this time. Present were: Chairman Brian Tomlin, Commissioner James Parent, and Commissioner Dianne McCarthy. Commissioners Paula Ring and Larry Miller were absent. Also present were MHA Solicitor Arnold Robinson, MHA staff, residents and members of the press.

Chairman Tomlin asked for a motion of approval for all the September 25, 2012 minutes. Commissioner Parent made the motion and Commissioner McCarthy seconded. All others present were in favor.

Commissioner Paul Ring joined the meeting at 5:15 p.m.

**EXECUTIVE DIRECTOR'S REPORT**

Secretary Dice advised the MHA lines of business posted a positive net income of \$17,219 for September 2012. On a cumulative fiscal year-to-date basis (10/1/11 to 9/30/12), the MHA posted a positive net income of \$598,659. We continue to operate the MHA without having to deplete reserves.

The Family Center posted a negative net income of \$9,409 for September 2012. On a cumulative fiscal year-to-date basis, the HCFC posted a positive \$48,406. We continue to operate HCFC's operations without having to deplete reserves

Community Property Management (CPM) has generated \$65,202 since commencing operations in May 2012.

**Occupancy**

JCP, CVC, RVW and Ferguson are at 100% occupancy. RVE is at 97% occupancy. MVP, Scattered Sites and HBC are at 98%.

### **Holly Berry Court – Substantial Rehabilitation**

Secretary Dice advised HUD is now faced with an aging national housing stock that they don't know what to do with. All funds have been cut. This has forced them to decide to allow housing authority's to convert to Project Based. They simply can't deal with the backlog of capital needs and must get the private sector back involved. Since developers and investors have started to make money again, the government has introduced the RAD –Rental Assistance Demonstration Program. The RAD allows housing authorities to convert their subsidy funding streams from the traditional public housing model that we're under now to a project-based funding approach. The advantage for HUD is that it would reduce the housing stock that it and Congress can't afford to maintain. The advantage for us is that with project based funding we won't experience the subsidy reductions we've been facing year after year. It is, therefore, a hedge against future losses. RAD is a funding mechanism that will provide PHA's with the ability to leverage private sector funds. In our case, we would need to layer Low Income Tax Credit funding and hard debt in addition to the RAD funding to cover the \$2.8 or \$2.9 million renovations needed to cover the modernization and improvements that will carry HBC through the next 20+ years. Secretary Dice advised investors are more willing to invest or lend if we have a steady stream of income. We were notified that the first round of applications to participate in RAD is on October 24, 2012. Secretary Dice set up a team to be able to help us see this through. The MHA floated an RFP looking for developers/consultants to assist in the application process and to help us look at the details. Two developers responded. After reviewing the RFP's Secretary Dice advised Conifer offered what he was looking for – the sharing of developer fees 70-30 on the front end and deferred fees both 70-30. They are also willing to let the MHA portfolio stay with us. He further advised we are set to have this application submitted tomorrow. All of our buildings had to be evaluated from the income and need perspective. The only property that made sense to go project based was Holly Berry Court. Conifer has been successful at obtaining more 9% tax credits than any other company in New Jersey. Secretary Dice advised a 9% tax credit project would give us 70% of the funding we need. A 4% tax credit would only give us 30% of the funding we need. Our family housing (HBC) is where they believe we have the best chance to be competitive. It is estimated we need 2.8 million for HBC.

Secretary Dice introduced Mr. Sam Leone from Conifer. Mr. Leone advised the board that nothing will change simply by submitting the application for RAD on the 24<sup>th</sup>. 9% tax credit applications will not be available until at least April/May 2013. He also advised that roles for the MHA, Conifer and the Tax Credit investor would be defined in the future with an LLC most likely to be formed. The General Partner would be the tax credit investor. The MHA or HCDC and Conifer will negotiate who has what rights –with Conifer in charge of compliance issues, completion and operational guarantees. Mr. Leone believes there is a way to have the MHA remain the everyday operations manager of HBC. Conifer will be working with TRIAD and Associates of Vineland to find ways to close the gap between what we can raise from tax credits and the 4.4 million project budget. For example, if investors get .84 cents on the dollar the gap will be \$400,000. If investors get .96 cents on the dollar, the gap will only be \$70,000. He also believes if we don't get accepted in the RAD program it will be much harder to get the 9% tax credits (because the RAD program means a steady source of income). Mr. Jerry Velazquez of TRIAD & Associates advised all he and Mr. Leone really want the Board of Commissioners to

do at tonight's meeting is to put the housing authority in the position to make the application. He also advised Conifer has a great reputation for dealing with their partners.

Solicitor Robinson commented that the whole point of applying for the RAD program is to generate 2.8 million in order to make HBC better. The MHA has held two meetings with the HBC residents to let them know we are making this application and to discuss their concerns. Their major concern was they will have to pay their own electric bill if we meter each individual unit. Ivy Evans advised if we should get this financing we will look into alternative energy solutions for the complex. We hope to replace kitchens, floors and bathrooms. The main office building needs a roof and we will look into providing community room space for the residents. Driveways need to be repaved and landscaping completed.

### **Tenant Receivable Write Off**

We are recommending the write off of \$34,126 this year.

The monthly payables were presented for approval at this time:

<u>Resolution #34 -2012</u>	Approving the Payment of Bills <u>Roll Call Vote:</u> Motion: Commissioner Ring Second: Commissioner McCarthy Roll Call: Unanimous
<u>Resolution# 35 -2012</u>	Certifying the 2011 Fiscal Year Annual Audit as Prescribed by the New Jersey Local Finance Board. <u>Roll Call Vote:</u> Motion: Commissioner Parent Second: Commissioner Ring Roll Call: Unanimous
<u>Resolution #36-2012</u>	Approving the Millville Housing Authority's 2012 Fiscal Year Write -Off Amounts  <u>Roll Call Vote:</u> Motion: Commissioner Ring Second: Commissioner McCarthy Roll Call: Unanimous
<u>Resolution #37-2012</u>	Approving a Project Consultant for the Rehabilitation of MHA Housing Stock

Roll Call Vote:

Motion: Commissioner Parent

Second: Commissioner Ring

Roll Call: Unanimous

Resolution #38-2012

Approving Conifer Realty, LLC as Developer for the Rental Assistance Demonstration Program

Roll Call Vote:

Motion: Commissioner Ring

Second: Commissioner McCarthy

Roll Call: Unanimous

Resolution #39-2012

Approving the Rental Assistance Demonstration Application – Board Approval Form

Roll Call Vote:

Motion: Commissioner Ring

Second: Commissioner Parent

Roll Call: Unanimous

Resolution #40-2012

Authorizing the Executive Director to Execute a Mixed Finance Affidavit

Roll Call Vote:

Motion: Commissioner Parent

Second: Commissioner Ring

Roll Call: Unanimous

Resolution #41-2012

Authorizing Permission for the Executive Director to Sign Any Other Pertinent Documents for the RAD Application

Roll Call Vote:

Motion: Commissioner Parent

Second: Commissioner Ring

Roll Call Vote: Unanimous

Chairman Tomlin asked if there was any old or new business.

Chairman Tomlin asked if there was any public comment. There was not.

Chairman Tomlin asked for a motion to adjourn the MHA public meeting at 6:22 p.m. in order to go into the HCDC Meeting. Commissioner Parent made the motion. Commissioner Ring seconded. Roll Call: Unanimous.

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Paul F. Dice  
Secretary/Treasurer

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Date